



April 6, 2001

ENGROSSED HOUSE BILL No. 1122

DIGEST OF HB 1122 (Updated April 5, 2001 2:08 PM - DI 44)

Citations Affected: IC 5-10; IC 27-8; IC 27-13; noncode.

Synopsis: Insurance coverage for autism. Defines pervasive developmental disorders, including Asperger's syndrome and autism, as neurological conditions for purposes of coverage under group insurance for state employees, group health insurance, and group health maintenance organization contracts. Requires group insurance for state employees, group health insurers, and group health maintenance organization contracts that provide basic health care services to provide coverage for treatment of a pervasive developmental disorder, in accordance with the treating physician's treatment plan, for a child covered under the plan. Prohibits group health insurance and group health maintenance organization contracts from taking certain actions because an individual is diagnosed with a pervasive developmental disorder. Requires an insurer or health maintenance organization that issues an accident and sickness insurance policy on an individual basis to offer to provide coverage for the treatment of a pervasive developmental disorder of an insured or enrollee.

Effective: July 1, 2001.

Fry, Kruzan, Summers, Duncan, Cochran

(SENATE SPONSORS — GARD, LANANE, BRODEN)

January 9, 2001, read first time and referred to Committee on Human Affairs.
February 12, 2001, amended, reported — Do Pass.
February 14, 2001, referred to Committee on Ways and Means pursuant to House Rule 127.
February 26, 2001, amended, reported — Do Pass.
March 5, 2001, read second time, ordered engrossed. Engrossed.
March 6, 2001, read third time, passed. Yeas 79, nays 16.
SENATE ACTION
March 7, 2001, read first time and referred to Committee on Health and Provider Services.
March 29, 2001, amended, reported favorably — Do Pass; reassigned to Committee on Finance.
April 5, 2001, amended, reported favorably — Do Pass.

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April 6, 2001

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

ENGROSSED HOUSE BILL No. 1122

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-10-8-7.1 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2001]: **Sec. 7.1. (a) As used in this section, "covered individual"**
4 **means an individual who is:**

5 **(1) covered under a self-insurance program established under**
6 **section 7(b) of this chapter to provide group health coverage;**
7 **or**

8 **(2) entitled to health services under a contract with a prepaid**
9 **health care delivery plan that is entered into or renewed**
10 **under section 7(c) of this chapter.**

11 **(b) As used in this section, "pervasive developmental disorder"**
12 **means a neurological condition, including Asperger's syndrome**
13 **and autism, as defined in the most recent edition of the Diagnostic**
14 **and Statistical Manual of Mental Disorders of the American**
15 **Psychiatric Association.**

16 **(c) A self-insurance program established under section 7(b) of**
17 **this chapter to provide health care coverage must provide a**

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covered individual with coverage for the treatment of a pervasive developmental disorder. Coverage provided under this section is limited to treatment that is prescribed by the covered individual's treating physician in accordance with a treatment plan. A self-insurance program may not deny or refuse to issue coverage on, refuse to contract with, or refuse to renew, refuse to reissue, or otherwise terminate or restrict coverage on, an individual under an insurance policy or health plan solely because the individual is diagnosed with a pervasive developmental disorder.

(d) A contract with a prepaid health care delivery plan that is entered into or renewed under section 7(c) of this chapter must provide a covered individual with services for the treatment of a pervasive developmental disorder. Services provided under this section are limited to treatment that is prescribed by the covered individual's treating physician in accordance with a treatment plan. A prepaid health care delivery plan may not deny or refuse to provide services to, or refuse to renew, refuse to reissue, or otherwise terminate or restrict services to, an individual solely because the individual is diagnosed with a pervasive developmental disorder.

(e) The coverage required by subsection (c) and services required by subsection (d) may not be subject to dollar limits, deductibles, copayments, or coinsurance provisions that are less favorable to a covered individual than the dollar limits, deductibles, copayments, or coinsurance provisions that apply to physical illness generally under the self-insurance program or contract with a prepaid health care delivery plan.

SECTION 2. IC 27-8-14.2 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]:

Chapter 14.2. Insurance Coverage for Pervasive Developmental Disorders

Sec. 1. (a) As used in this chapter, "accident and sickness insurance policy" means an insurance policy that provides one (1) or more of the types of insurance described in IC 27-1-5-1, classes 1(b) and 2(a).

(b) The term does not include the following:

- (1) Accident-only, credit, dental, vision, Medicare supplement, long term care, or disability income insurance.
- (2) Coverage issued as a supplement to liability insurance.
- (3) Worker's compensation or similar insurance.
- (4) Automobile medical payment insurance.



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- (5) A specified disease policy issued as an individual policy.
- (6) A limited benefit health insurance policy issued as an individual policy.
- (7) A short term insurance plan that:
 - (A) may not be renewed; and
 - (B) has a duration of not more than six (6) months.
- (8) A policy that provides a stipulated daily, weekly, or monthly payment to an insured during hospital confinement, without regard to the actual expense of the confinement.

Sec. 2. As used in this chapter, "insured" means an individual who is entitled to coverage under a policy of accident and sickness insurance.

Sec. 3. As used in this chapter, "pervasive developmental disorder" means a neurological condition, including Asperger's syndrome and autism, as defined in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders of the American Psychiatric Association.

Sec. 4. (a) An accident and sickness insurance policy that is issued on a group basis must provide coverage for the treatment of a pervasive developmental disorder of an insured. Coverage provided under this section is limited to treatment that is prescribed by the insured's treating physician in accordance with a treatment plan. An insurer may not deny or refuse to issue coverage on, refuse to contract with, or refuse to renew, refuse to reissue, or otherwise terminate or restrict coverage on an individual under an insurance policy solely because the individual is diagnosed with a pervasive developmental disorder.

(b) The coverage required under this section may not be subject to dollar limits, deductibles, or coinsurance provisions that are less favorable to an insured than the dollar limits, deductibles, or coinsurance provisions that apply to physical illness generally under the accident and sickness insurance policy.

Sec. 5. (a) An insurer that issues an accident and sickness insurance policy on an individual basis must offer to provide coverage for the treatment of a pervasive developmental disorder of an insured. Coverage provided under this section is limited to treatment that is prescribed by the insured's treating physician in accordance with a treatment plan. An insurer may not deny or refuse to issue coverage on, refuse to contract with, or refuse to renew, refuse to reissue, or otherwise terminate or restrict coverage on an individual under an insurance policy solely because the individual is diagnosed with a pervasive developmental



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(b) The coverage that must be offered under this section may not be subject to dollar limits, deductibles, or coinsurance provisions that are less favorable to an insured than the dollar limits, deductibles, or coinsurance provisions that apply to physical illness generally under the accident and sickness insurance policy.

SECTION 3. IC 27-13-7-14.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 14.7. (a) As used in this section, "pervasive developmental disorder" means a neurological condition, including Asperger's syndrome and autism, as defined in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders of the American Psychiatric Association.

(b) A group contract with a health maintenance organization that provides basic health care services must provide services for the treatment of a pervasive developmental disorder of an enrollee. Services provided to an enrollee under this subsection are limited to services that are prescribed by the enrollee's treating physician in accordance with a treatment plan. A health maintenance organization may not deny or refuse to provide services to, or refuse to renew, refuse to reissue, or otherwise terminate or restrict coverage under a group contract to services to an individual solely because the individual is diagnosed with a pervasive developmental disorder.

(c) The services required under subsection (b) may not be subject to dollar limits, deductibles, copayments, or coinsurance provisions that are less favorable to an enrollee than the dollar limits, deductibles, copayments, or coinsurance provisions that apply to physical illness generally under the contract with the health maintenance organization.

(d) A health maintenance organization that enters into an individual contract that provides basic health care services must offer to provide services for the treatment of a pervasive developmental disorder of an enrollee. Services provided to an enrollee under this subsection are limited to services that are prescribed by the enrollee's treating physician in accordance with a treatment plan. A health maintenance organization may not deny or refuse to provide services to, or refuse to renew, refuse to reissue, or otherwise terminate or restrict coverage under an individual contract to services to an individual solely because the individual is diagnosed with a pervasive developmental disorder.

(e) The services that must be offered under subsection (d) may

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1 not be subject to dollar limits, deductibles, copayments, or
2 coinsurance provisions that are less favorable to an enrollee than
3 the dollar limits, deductibles, copayments, or coinsurance
4 provisions that apply to physical illness generally under the
5 contract with the health maintenance organization.

6 SECTION 4. [EFFECTIVE JULY 1, 2001] (a) IC 5-10-8-7.1, as
7 added by this act, applies to all self-insurance programs or
8 contracts with prepaid health care delivery plans established,
9 issued, renewed, delivered, or entered into after June 30, 2001.

10 (b) IC 27-8-14.2, as added by this act, applies to all accident and
11 sickness insurance policies issued, renewed, delivered, or entered
12 into after June 30, 2001.

13 (c) IC 27-13-7-14.7, as added by this act, applies to all group
14 contracts with health maintenance organizations entered into,
15 renewed, delivered, or issued after June 30, 2001.

16 (d) This SECTION expires June 30, 2005.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Human Affairs, to which was referred House Bill 1122, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 19, after "1." insert "(a)".

Page 2, between lines 23 and 24, begin a new paragraph and insert:

"(b) The term does not include the following:

- (1) Accident-only, credit, dental, vision, Medicare supplement, long term care, or disability income insurance.**
- (2) Coverage issued as a supplement to liability insurance.**
- (3) Worker's compensation or similar insurance.**
- (4) Automobile medical payment insurance.**
- (5) A specified disease policy issued as an individual policy.**
- (6) A limited benefit health insurance policy issued as an individual policy.**
- (7) A short term insurance plan that:**
 - (A) may not be renewed; and**
 - (B) has a duration of not more than six (6) months.**
- (8) A policy that provides a stipulated daily, weekly, or monthly payment to an insured during hospital confinement, without regard to the actual expense of the confinement."**

and when so amended that said bill do pass.

(Reference is to HB 1122 as introduced.)

SUMMERS, Chair

Committee Vote: yeas 12, nays 1.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1122, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

BAUER, Chair

Committee Vote: yeas 26, nays 0.

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SENATE MOTION

Mr. President: I move that Senator Broden be added as cosponsor
of Engrossed House Bill 1122.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Health and Provider Services, to which was referred House Bill No. 1122, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 2, after "disorder." insert **"Coverage provided under this section is limited to treatment that is prescribed by the covered individual's treating physician in accordance with a treatment plan. A self-insurance program may not deny or refuse to issue coverage on, refuse to contract with, or refuse to renew, refuse to reissue, or otherwise terminate or restrict coverage on, an individual under an insurance policy or health plan solely because the individual is diagnosed with a pervasive developmental disorder."**

Page 2, line 6, after "disorder." insert **"Services provided under this section are limited to treatment that is prescribed by the covered individual's treating physician in accordance with a treatment plan. A prepaid health care delivery plan may not deny or refuse to provide services to, or refuse to renew, refuse to reissue, or otherwise terminate or restrict services to, an individual solely because the individual is diagnosed with a pervasive developmental disorder."**

Page 2, between lines 6 and 7, begin a new paragraph and insert:

"(e) The coverage required by subsection (c) and services required by subsection (d) for the treatment of a pervasive developmental disorder by means of educational services may be limited to six thousand dollars (\$6,000) annually. This limitation does not apply to coverage of medical services or services including speech therapy, physical therapy, or occupational therapy.

(f) A self-insurance program or a prepaid health care delivery plan may limit educational services provided to a covered individual under this section for the treatment of a pervasive developmental disorder to a covered individual who is not more than seven (7) years of age."

Page 2, line 7, delete "(e)" and insert **"(g)"**.

Page 3, line 5, after "4." insert **"(a)"**.

Page 3, line 7, after "insured." insert **"Coverage provided under this section is limited to treatment that is prescribed by the insured's treating physician in accordance with a treatment plan. An insurer may not deny or refuse to issue coverage on, refuse to contract with, or refuse to renew, refuse to reissue, or otherwise**

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terminate or restrict coverage on an individual under an insurance policy or health plan solely because the individual is diagnosed with a pervasive developmental disorder."

Page 3, between lines 7 and 8, begin a new paragraph and insert:

"(b) The coverage required under this section for the treatment of a pervasive developmental disorder by means of educational services may be limited to six thousand dollars (\$6,000) annually. This limitation does not apply to coverage of medical services including speech therapy, physical therapy, or occupational therapy.

(c) An insurer may limit educational services provided to an insured under this section for the treatment of a pervasive developmental disorder to an insured who is not more than seven (7) years of age."

Page 3, line 15, delete "chapter" and insert "section".

Page 3, line 22, after "enrollee." insert **"Services provided to an enrollee under this section are limited to services that are prescribed by the enrollee's treating physician in accordance with a treatment plan. A health maintenance organization may not deny or refuse to provide services to, or refuse to renew, refuse to reissue, or otherwise terminate or restrict services to, an individual solely because the individual is diagnosed with a pervasive developmental disorder."**

Page 3, between lines 22 and 23, begin a new paragraph and insert:

"(c) The services required under this section for the treatment of a pervasive developmental disorder by means of educational services may be limited to six thousand dollars (\$6,000) annually. This limitation does not apply to medical services including speech therapy, physical therapy, or occupational therapy.

(d) A health maintenance organization may limit educational services provided to an enrollee under this section for the treatment of a pervasive developmental disorder to an enrollee who is not more than seven (7) years of age."

Page 3, line 23, delete "(c)" and insert "(e)".

and when so amended that said bill be reassigned to the Senate Committee on Finance.

(Reference is to HB 1122 as printed February 27, 2001.)

MILLER, Chairperson

Committee Vote: Yeas 6, Nays 1.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred Engrossed House Bill No. 1122, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, delete lines 21 through 31.

Page 2, line 32, delete "(g)" and insert "(e)".

Page 3, line 3, delete ":".

Page 3, line 4, before "provides" delete "(1)".

Page 3, run in lines 3 through 4.

Page 3, line 5, delete "; and" and insert ".".

Page 3, delete line 6.

Page 3, line 30, after "policy" insert **"that is issued on a group basis"**.

Page 3, line 37, after "policy" delete "or".

Page 3, line 38, delete "health plan".

Page 3, delete lines 40 through 42.

Page 4, delete lines 1 through 7.

Page 4, line 8, delete "Sec. 5." and insert **"(b)"**.

Page 4, line 8, delete "chapter" and insert **"section"**.

Page 4, between lines 12 and 13, begin a new paragraph and insert:

"Sec. 5. (a) An insurer that issues an accident and sickness insurance policy on an individual basis must offer to provide coverage for the treatment of a pervasive developmental disorder of an insured. Coverage provided under this section is limited to treatment that is prescribed by the insured's treating physician in accordance with a treatment plan. An insurer may not deny or refuse to issue coverage on, refuse to contract with, or refuse to renew, refuse to reissue, or otherwise terminate or restrict coverage on an individual under an insurance policy solely because the individual is diagnosed with a pervasive developmental disorder.

(b) The coverage that must be offered under this section may not be subject to dollar limits, deductibles, or coinsurance provisions that are less favorable to an insured than the dollar limits, deductibles, or coinsurance provisions that apply to physical illness generally under the accident and sickness insurance policy."

Page 4, line 23, delete "section" and insert **"subsection"**.

Page 4, line 28, after "restrict" insert **"coverage under a group contract to"**.

Page 4, line 28, delete "to," and insert **"to"**.

Page 4, delete lines 30 through 38.

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Page 4, line 39, delete "(e)" and insert "(c)".

Page 4, line 39, delete "this section" and insert "**subsection (b)**".

Page 5, between lines 2 and 3, begin a new paragraph and insert:

"(d) A health maintenance organization that enters into an individual contract that provides basic health care services must offer to provide services for the treatment of a pervasive developmental disorder of an enrollee. Services provided to an enrollee under this subsection are limited to services that are prescribed by the enrollee's treating physician in accordance with a treatment plan. A health maintenance organization may not deny or refuse to provide services to, or refuse to renew, refuse to reissue, or otherwise terminate or restrict coverage under an individual contract to services to an individual solely because the individual is diagnosed with a pervasive developmental disorder.

(e) The services that must be offered under subsection (d) may not be subject to dollar limits, deductibles, copayments, or coinsurance provisions that are less favorable to an enrollee than the dollar limits, deductibles, copayments, or coinsurance provisions that apply to physical illness generally under the contract with the health maintenance organization."

and when so amended that said bill do pass.

(Reference is to EHB 1122 as printed March 30, 2001.)

BORST, Chairperson

Committee Vote: Yeas 12, Nays 3.

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